



September 8, 2021

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Authorization for the Orange County Transportation Authority to Deposit and Invest Excess Funds with the Treasurer-Tax Collector of the County of Orange

Overview

Staff is requesting authorization to deposit and invest excess funds with the Treasurer-Tax Collector of the County of Orange.

Recommendation

Approve Resolution No. 2021-062 authorizing the Orange County Transportation Authority to deposit and invest excess funds with the Treasurer-Tax Collector of the County of Orange.

Background

The Orange County Transportation Authority (OCTA) has two accounts with the County of Orange (County) restricted to the Local Transportation Fund (LTF) and the State Transit Assistance Fund (STAF). Funds from these two accounts are primarily used to fund operating expenditures for the bus program. Under the California Transportation Development Act guidelines, the California Department of Tax and Fee Administration (CDTFA) is required to deposit LTF and STAF funds with the Treasurer-Tax Collector of the County until claimed by OCTA. While CDTFA can deposit LTF and STAF funds with the Orange County Investment Pool (OCIP), currently OCTA does not have authorization to directly deposit and invest excess funds with the County. OCTA's investment policy (IP) allows for the investment of funds into OCIP in an amount up to ten percent of OCTA's investment portfolio.

Discussion

OCTA is seeking to diversify the investment of funds held within its liquid portfolio, while maintaining the primary objective of the IP which is safety of

principal. Section 53684 of the California Government Code allows local agencies to deposit excess funds into the County Treasury for purposes of investment by the County Treasurer-Tax Collector. The funds on deposit with the County are held in the OCIP and invested by the County Treasurer-Tax Collector in accordance with the County's IP.

The OCIP IP is approved annually by the County Board of Supervisors and reviewed annually by the Treasury Oversight Committee. The primary objectives of the policy are safety of principal, liquidity, and lastly to achieve a market rate of return within the parameters of prudent risk management. As with OCTA's investments, the OCIP must meet the conservative investment requirements of the California Government Code (Code). In addition, consistent with OCTA's IP, the OCIP IP is in many cases more conservative than the Code.

Per the OCIP IP, in order for OCTA to invest funds into OCIP, OCTA's Board of Directors (Board) must approve a resolution authorizing the deposit and investment of excess funds into the OCIP, along with authorization for any two persons holding any of the following positions: Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer, Director, Finance and Administration, Department Manager, Treasury and Public Finance, and Financial Analyst, Treasury and Public Finance to deposit and withdraw funds into the OCIP.

Summary

OCTA is seeking to diversify the investment of funds held within its liquid portfolio and is seeking authorization to invest excess funds with the OCIP consistent with OCTA's IP. A resolution of the Board is required in order to invest funds in the OCIP.

**Authorization of the Orange County Transportation Authority
to Deposit and Invest Excess Funds with the Treasurer-Tax
Collector of the County of Orange**

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Attachments

- A. Resolution of the Orange County Transportation Authority Authorizing the Deposit and Investment of Excess Local Funds with the Treasurer-Tax Collector of the County of Orange, California
- B. Orange County Treasurer 2021 Investment Policy Statement
- C. Agreement for the Deposit and Investment of Excess Funds into the County Treasury

Prepared by:



Robert Davis
Department Manager
Treasury/Public Finance
(714) 560-5675

Approved by:



Andrew Oftelie
Chief Financial Officer
Finance and Administration
(714) 560-5649